

PATRICK R. DONAHOE  
POSTMASTER GENERAL, CEO



May 9, 2012

The Honorable Barbara A. Mikulski  
United States Senate  
Washington, DC 20510-2003

Dear Senator Mikulski:

The United States Postal Service is committed to serving rural America and to preserving the role of the Postal Service in every American community. As such, I am writing to introduce an important new strategy of the Postal Service that is designed to preserve the majority of rural Post Offices.

Within the framework of our comprehensive five-year plan, we have continued to refine our approach with regard to rural Post Offices. We have done so as a result of listening carefully to the views of Congress, our customers, and the communities we serve.

The Postal Service intends to provide communities with an important alternative to the potential consolidation of rural Post Offices, which we believe will result in very few Post Offices being consolidated in the future. By matching daily window hours to daily foot traffic for many Post Offices, we believe the Postal Service can achieve its cost-reduction goals stated in our *Five-Year Business Plan* and continue to maintain Post Offices in nearly every community.

As background, in July 2011, the Postal Service communicated to all members of Congress its intent to conduct studies of approximately 3,700 Post Offices, stations, and branches to determine whether discontinuance and/or conversion to forms of alternative access was appropriate, given factors such as low workload, insufficient customer demand, and/or availability of alternatives. The studies were part of a nationwide effort to realign and reduce the operating costs of the existing postal retail network of 32,000 Post Offices.

Since that time, the Postal Service has conducted thousands of public meetings to solicit input from communities throughout America about these possible Post Office studies. Many customers expressed their concerns and told the Postal Service of their strong preference for maintaining the current Post Office structure. We have also heard from Members of Congress about your concerns and have formulated solutions to address these questions.

The Postal Service has sought to balance providing and preserving postal services for communities while also being responsive to the recommendations from the Office of the Inspector General (OIG), the Government Accountability Office (GAO), Congress, and our customers. As such we have developed the following strategy to better match Post Office revenues and costs, and to provide appropriate service to rural communities. Later this month, we will be asking the Postal Regulatory Commission (PRC) for an advisory opinion concerning this plan.

**Preserving postal facilities by modifying existing window hours.**

Under this path, access to nearly all Post Office lobbies and Post Office Boxes would continue to be available during normal business hours. Based on customer use, window hours would be modified and scheduled for each Post Office. All services currently available will continue during designated window hours.

The community will be able to provide their input in determining the schedule for these hours (for example, what time of day is optimal for hours of operation). Surveys will be sent to all homes and businesses served by the Post Office. A community meeting will then be held, and survey results will be shared at that time. This path allows the community to maintain its facility as a gathering place, preserves the ZIP Code, and maintains the community name. In addition, the Postal Service will continue to work closely with postmaster and management organizations, following all applicable guidelines to ensure that employees are fully informed and treated in a fair and equitable manner.

In the provided surveys, three additional paths will be proposed to the community, each of which might be better suited to the needs of that particular community. We intend to maintain both the community name and ZIP Code. Under these paths, existing Post Offices could be discontinued, but postal services to the community would be assured, with the community as a fully engaged partner in the effort. These include:

**Merging a postal facility with a nearby full-service Post Office.**

Many communities have expressed little or no objection to this path, given the close proximity of other nearby Post Offices.

**Extending or expanding rural carrier delivery in communities where current service is limited to Post Office Box availability.**

Under this path, rural letter carriers, who already function as "Post Offices on Wheels" would provide full-service to customers. This includes selling stamps and money orders and providing package and mailing services. This would enable some customers, especially those in rural communities, to gain home delivery where it is not currently available.

**Engaging a local business or government office to establish a Village Post Office (VPO).**

With this path, customers would gain the convenience of having up to 12 hours of daily service, seven days a week, during which time they can purchase stamps, mail packages, and collect Post Office Box mail. Community names and ZIP Codes would also be preserved. While some communities may wish to have a partner-operated Village Postal Office replace an existing Post Office, the Postal Service could also explore supporting communities that would prefer to have both operating concurrently. The Postal Service supports this idea as a cost-effective way of providing greater access and service.

While the three paths listed above for discontinuance of postal facilities are available, the Postal Service is making the commitment that low-activity Post Offices, especially those in rural America, will remain open with reduced hours unless:

- Every path has been carefully evaluated with community input.
- A community has expressed a strong preference for one of the other alternative paths.
- At least one of the paths above has been provided.

In September 2011, I testified before the Senate Committee on Homeland Security and Governmental Affairs about the Postal Service's plan to examine approximately 15,000 Post Offices. Since that time, we have actually looked at 17,000 locations and believe we need to reduce hours at approximately 13,000 Post Offices. A list of offices in your state or district which the Postal Service proposes to operate for less than eight hours per day is enclosed. There are some facilities which have already been studied and which are no longer in operation, and these facilities will remain closed.

This plan, which will be considered by the PRC, is simply a refinement of our efforts to capture cost savings and sustain the Postal Service, ensuring we can attain the goals set forth in our comprehensive plan to place the Postal Service on a strong financial footing. Once the program is completed, the Postal Service estimates annual savings of \$500 million. To ensure a smooth and measured transition, this plan will be implemented over a two-year period, using a multi-phased approach. The Postal Service has listened and will continue to listen to the customers served by our facilities. The next step in carrying forward this proposal is to continue informing and educating the public, customers, employees, mailers, and Members of Congress.

In addition, the Postal Service will soon file this proposal with the PRC, which has its own timeline for review.

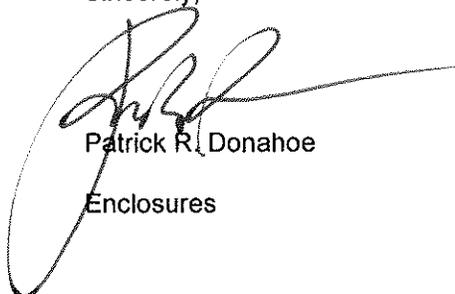
In the coming months, the Postal Service will begin its process for reengaging communities, in order to present these options, gather the input of customers, and make reasonable and responsible decisions. As part of this engagement, the Postal Service will also encourage local businesses in rural communities to consider operating a Village Post Office—even in communities that prefer to retain their current Post Office. Using a multi-phased approach, it is expected that full implementation of these proposals would be completed in the fall of 2014.

An additional proposal, designed to continue addressing the Postal Service's workforce, was also announced today. A voluntary early retirement incentive for the nation's more than 21,000 non-executive career postmasters is being offered. Postmasters accepting the offer will receive two payments—\$10,000 on December 31, 2012, and \$10,000 on December 30, 2013, less withholdings and taxes. Part-time career postmasters will receive prorated payments on the same dates. Postmasters will have until June 22, 2012, to accept the offer and agree to leave the Postal Service by July 31, 2012.

We are committed to implementing this new plan in a responsible and fair manner, and we believe the proposals described here will ensure the preservation of postal facilities and services, especially in rural communities.

More information and details will be forthcoming, and the Postal Service will host a Webinar on these proposals on Thursday, May 10, at 3 p.m. [EST]. Your postal staffer will be receiving an invitation to this Webinar. We look forward to communicating about this plan and our progress in the coming weeks and months. Please contact your Government Relations Representative with any questions or comments.

Sincerely,



Patrick R. Donahoe

Enclosures

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POST Plan - Proposed Hours of Operation

ZIP	Office	State	* Current Hours of Operation	Proposed Hours of Operation
20606-9998	ABELL PO	MD	8	4
21810-9998	ALLEN PO	MD	8	4
20608-9998	AQUASCO PO	MD	8	4
20609-9998	AVENUE PO	MD	8	6
21607-9998	BARCLAY PO	MD	8	4
20838-9998	BARNESVILLE PO	MD	8	6
20610-9998	BARSTOW PO	MD	8	6
21521-9998	BARTON PO	MD	8	6
20611-9998	BEL ALTON PO	MD	8	4
20612-9998	BENEDICT PO	MD	8	4
21609-9998	BETHLEHEM PO	MD	8	4
21610-9998	BETTERTON PO	MD	8	4
21711-9998	BIG POOL PO	MD	4	4
21522-9998	BITTINGER PO	MD	6	2
21814-9998	BIVALVE PO	MD	8	4
21523-9998	BLOOMINGTON PO	MD	8	4
21020-9998	BORING PO	MD	8	2
21612-9998	BOZMAN PO	MD	8	6
20615-9998	BROOMES ISLAND PO	MD	8	4
21715-9998	BROWNSVILLE PO	MD	8	2
21718-9998	BURKITTSVILLE PO	MD	8	4
20618-9998	BUSHWOOD PO	MD	8	4
21023-9998	BUTLER PO	MD	8	6
21719-9998	CASCADE PO	MD	8	6
21720-9998	CAVETOWN PO	MD	8	4
21913-9998	CECILTON PO	MD	8	6
21914-9998	CHARLESTOWN PO	MD	8	4
21721-9998	CHEWSVILLE PO	MD	8	4
21916-9998	CHILDS PO	MD	8	6
21622-9998	CHURCH CREEK PO	MD	8	6
20624-9998	CLEMENTS PO	MD	8	6
20625-9998	COBB ISLAND PO	MD	8	6
20626-9998	COLTONS POINT PO	MD	8	4
20627-9998	COMPTON PO	MD	8	4
21625-9998	CORDOVA PO	MD	8	6
21524-9998	CORRIGANVILLE PO	MD	8	4
21626-9998	CRAPO PO	MD	4	4
21628-9998	CRUMPTON PO	MD	8	6
20628-9998	DAMERON PO	MD	8	4
21036-9998	DAYTON PO	MD	8	4
21821-9998	DEAL ISLAND PO	MD	8	4
20842-9998	DICKERSON PO	MD	8	6
20629-9998	DOWELL PO	MD	8	4
20630-9998	DRAYDEN PO	MD	2	2
21631-9998	EAST NEW MARKET PO	MD	8	6
21528-9998	ECKHART MINES PO	MD	8	2
21822-9998	EDEN PO	MD	8	6
21920-9998	ELK MILLS PO	MD	8	6
21529-9998	ELLERSLIE PO	MD	8	6
21824-9998	EWELL PO	MD	8	4

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ZIP	Office	State	* Current Hours of Operation	Proposed Hours of Operation
21733-9998	FAIR PLAY PO	MD	8	6
20632-9998	FAULKNER PO	MD	8	4
21634-9998	FISHING CREEK PO	MD	8	4
21530-9998	FLINTSTONE PO	MD	8	6
21051-9998	FORK PO	MD	8	6
21052-9998	FORT HOWARD PO	MD	8	6
21053-9998	FREELAND PO	MD	8	6
20758-3258	FRIENDSHIP PO	MD	8	4
21531-9998	FRIENDSVILLE PO	MD	8	6
20765-9998	GALESVILLE PO	MD	8	6
21930-9998	GEORGETOWN PO	MD	8	4
21829-9998	GIRDLETREE PO	MD	8	4
21636-9998	GOLDSBORO PO	MD	8	4
20635-9998	HELEN PO	MD	4	2
21640-9998	HENDERSON PO	MD	6	4
21641-9998	HILLSBORO PO	MD	8	4
21082-9998	HYDES PO	MD	8	2
21644-9998	INGLESIDE PO	MD	6	2
20643-9998	IRONSIDES PO	MD	2	2
20645-9998	ISSUE PO	MD	8	4
21645-9998	KENNEDYVILLE PO	MD	8	4
21757-9998	KEYMAR PO	MD	8	4
21538-9998	KITZMILLER PO	MD	8	4
21759-9998	LADIESBURG PO	MD	4	2
21835-9998	LINKWOOD PO	MD	8	4
21766-9998	LITTLE ORLEANS PO	MD	2	4
21539-9998	LONACONING PO	MD	8	6
20656-9998	LOVEVILLE PO	MD	8	4
20658-9998	MARBURY PO	MD	8	4
21837-9998	MARDELA SPRINGS PO	MD	8	6
21838-9998	MARION STATION PO	MD	8	4
21105-2101	MARYLAND LINE PO	MD	8	6
21650-9998	MASSEY PO	MD	8	4
21106-9998	MAYO PO	MD	8	6
21543-9998	MIDLOTHIAN PO	MD	8	4
20660-9998	MORGANZA PO	MD	8	4
21545-9998	MOUNT SAVAGE PO	MD	8	6
20661-9998	MOUNT VICTORIA PO	MD	4	2
20662-9998	NANJEMOY PO	MD	8	6
21840-9998	NANTICOKE PO	MD	8	4
21775-9998	NEW MIDWAY PO	MD	4	2
21841-9998	NEWARK PO	MD	8	4
20664-9998	NEWBURG PO	MD	8	6
21653-9998	NEWCOMB PO	MD	8	6
21555-9998	OLDTOWN PO	MD	8	4
20667-9998	PARK HALL PO	MD	8	6
21902-9998	PERRY POINT PO	MD	8	4
21130-9998	PERRYMAN PO	MD	8	4
20674-9998	PINEY POINT PO	MD	8	6
21556-9998	PINTO PO	MD	8	6

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ZIP	Office	State	* Current Hours of Operation	Proposed Hours of Operation
21777-9998	POINT OF ROCKS PO	MD	8	6
21132-9998	PYLESVILLE PO	MD	8	6
21856-9998	QUANTICO PO	MD	8	4
21657-9998	QUEEN ANNE PO	MD	8	4
21557-9998	RAWLINGS PO	MD	8	6
21659-9998	RHODESDALE PO	MD	8	6
20680-9998	RIDGE PO	MD	8	6
21778-9998	ROCKY RIDGE PO	MD	4	4
21779-9998	ROHRERSVILLE PO	MD	8	4
21780-9998	SABILLASVILLE PO	MD	8	4
20684-9998	SAINT INIGOES PO	MD	8	6
20686-9998	SAINT MARYS CITY PO	MD	8	6
20860-9998	SANDY SPRING PO	MD	8	6
21861-9998	SHARPTOWN PO	MD	8	4
21665-9998	SHERWOOD PO	MD	8	4
21560-9998	SPRING GAP PO	MD	6	2
21668-9998	SUDLERSVILLE PO	MD	8	6
20639-9998	SUNDERLAND PO	MD	8	2
21561-9998	SWANTON PO	MD	8	6
20690-9998	TALL TIMBERS PO	MD	8	4
21669-9998	TAYLORS ISLAND PO	MD	8	4
21670-9998	TEMPLEVILLE PO	MD	4	2
21671-9998	TILGHMAN PO	MD	8	6
20779-9998	TRACYS LANDING PO	MD	8	6
21673-9998	TRAPPE PO	MD	8	6
21790-9998	TUSCARORA PO	MD	6	4
21865-9998	TYASKIN PO	MD	8	4
21866-9998	TYLERTON PO	MD	4	2
21867-9998	UPPER FAIRMOUNT PO	MD	8	2
21156-9998	UPPER FALLS PO	MD	8	6
21869-9998	VIENNA PO	MD	8	6
21912-9998	WARWICK PO	MD	8	4
20778-9998	WEST RIVER PO	MD	8	6
21872-9998	WHALEYVILLE PO	MD	8	4
21874-9998	WILLARDS PO	MD	8	6
21676-9998	WITTMAN PO	MD	8	6
21677-9998	WOOLFORD PO	MD	8	4
21679-9998	WYE MILLS PO	MD	8	4